

MINUTES

LEGISLATIVE RESEARCH COMMISSION (LRC) ENERGY POLICY ISSUES

COMMITTEE MEETING

March 21, 2012

The Legislative Research Commission Energy Policy Issues Committee met on Wednesday, March 21, 2012 at 1:00 p.m. in Room 643 of the Legislative Office Building, presided over by Senator Bob Rucho, Chair of the committee. Also in attendance were committee members Senators Goolsby, Rabon, and Walters.

Senator Rucho called the meeting to order and asked for a motion by the committee for the adoption of the Minutes of the February 15, 2012 meeting. Senator Goolsby so moved and the motion was unanimously adopted.

During the meeting Senator Rucho recognized Senator Kathy Harrington and Representative Mike Hager.

Senator Rucho displayed a license plate showing that we are talking about producing natural gas in North Carolina and actually using CNG (on which you will have a demonstration later about), how we get North Carolina companies engaged in utilization of that natural gas and, in moving our school children across the state. I think at the end of today's meeting you will have a better understanding of where we are going with this.

I had an opportunity, along with Representative Hager from the House, to spend about three hours in Sanford last evening with about 300 to 400 people talking about the Department of Environment and Natural Resources' report on shale gas and hydro fracking. There was a great response from the public, pro and con, a lot of questions, and I hope we can provide to the public, as we proceed forward, a better understanding and they won't be quite as apprehensive about the activity.

One additional public hearing will be held on March 27, next Tuesday at 6:30, by the Department of Environment and Natural Resources at East Chapel Hill High School. It will last approximately three hours and will be open to the public.

Senator Rucho pointed out that a Thomas Built CNG school bus was parked on the Salisbury side exit of the Legislative Office Building on Lane Street for people to tour and ask questions and stated that he felt the bus should be staying in North Carolina, but it is going to California.

Also recognized were the following five speakers discussing Compressed Natural Gas (CNG) vehicles:

1. Presentation on CNG vehicles. Presentation and Q&A attached.
Jeffrey Clarke, General Counsel
NGVAmerica

2. Overview of school bus acquisition, cost, and operation in North Carolina. Presentation and Q&A attached.
Derek Graham, Chief
Transportation Services Section, Department of Public Instruction
3. Briefing on research on CNG bus opportunities in North Carolina. Presentation and Q&A attached.
Kris Nordstrom, Analyst
Fiscal Research Division
4. Presentation on CNG school buses: efficiencies; sales; and market. Presentation and Q&A attached.
Kelley Platt, President and CEO
Thomas Built Buses

Jed Routh, Manager of Product Planning
Thomas Built Buses (was recognized but did not speak)
5. Presentation on the opportunities for CNG with the State Department of Transportation (DOT) fleet and federal funding opportunities to build public and private refueling infrastructure. Presentation and Q&A attached.
Jim Trogon, COO
DOT

The following three speakers were introduced for discussion of cellulosic ethanol from energy grasses for biofuel applications:

6. Presentation on Project Alpha in Clinton, North Carolina and the regulatory hurdles with nitrogen application rates on sprayfields. Presentation and Q&A attached.
Mark Conlon, Vice President of Sector Development
Biofuels Center of North Carolina
7. Discussion of the "1217" process and the proposed pilot program for energy grasses. Presentation attached. There were no questions for Mr. Reich.
Richard Reich, Assistant Commissioner for Agricultural Services
Department of Agriculture and Consumer Services
8. Briefing on the scientifically justifiable nitrogen application rates based on other state and national data. Presentation attached. There were no questions for Mr. Gehl.
Ron Gehl, Assistant Professor and Extension Specialist
Department of Soil Science, North Carolina State University

Senator Rucho addressed the committee stating that recommendations would be made and distributed to the members of the committee a week before the next meeting so that they could be prepared to vote on them. Senator Rucho asked the members if they had any additional thoughts or questions regarding what had transpired over the last few meetings of the committee. None were presented.

Senator Rucho adjourned the meeting at 3:32 p.m., reminding everyone of the next meeting scheduled for Wednesday, April 18 at 1:00 p.m. in Room 544 of the Legislative Office Building.

Respectfully submitted,

Senator Bob Rucho, Chair

Helen Long, Committee Clerk